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E.O. 12958: DECL: 04/09/2033
TAGS: KNNP PARM PREL MNUC CH IR

SUBJECT: M/V IRAN TEYFOURI: FOLLOWING UP ON SHIPMENTS OF PROLIFERATION CONCERN (S)

REF: A. A. STATE 8178
1B. B. BEIJING 333
1C. C. PAN-FELIPE ET AL E-MAIL
1D. 8 APRIL 2008
1E. D. STATE 35977
1F. E. BEIJING 1309

Classified By: ISN/CPI DIRECTOR PHILIP A. FOLEY
FOR REASONS 1.4 B, C, AND D

11. (S) ACTION REQUEST: Post is requested to follow-up on an April 8 National Security Council meeting with Chinese DCM Xie Feng to provide additional information on the January voyage of the M/V Iran Teyfouri, press China to reconsider its decision on the proposed visit of a State experts team to brief Beijing in detail on the information, and provide response to China's request for additional details on the currently scheduled shipment of sodium sulfide on board the M/V Iran Teyfouri. (REFS C, D, E).

OBJECTIVES

12. (S/REL China) Post should:

-- Respond to Chinese requests for additional information on the current shipment of sodium sulfide to Iran on board the M/V Iran Teyfouri; convey that the U.S. has made an effort to find as much of the data that China requested, but not all of the requested information is available.

-- Press Chinese officials to prevent the transfer, particularly as the Iranian vessel in question is scheduled to arrive in Tianjin on April 10, 2008.

-- Thank China for investigating and responding promptly in January to our information on the M/V Iran Teyfouri.

-- Convey that our investigation of China's findings conflicts with the results provided by China, and that we believe Chinese authorities were misled during their investigation.

-- Present non-paper in paragraph four, which summarizes U.S. findings.

-- Press Chinese officials to accept a visit of U.S. experts to present detailed information on the U.S. findings; emphasize that our information includes highly technical information that is best discussed by experts from Washington, and that this consultation would enhance our counterproliferation cooperation.

-- Inform China that this case highlights the deceptive methods that entities employ when they seek to mask their proliferation activities in response to scrutiny from authorities.

-- Strongly urge Chinese officials to re-investigate the details of this case, based on initial information provided in the non-paper.

BACKGROUND

13. (S/REL China) On April 8, 2008, Post and Washington (NSC Senior Directors to Chinese DCM Xie Feng) provided Ref B non-paper on the imminent shipment to Iran of 1000 metric tons of the CW precursor sodium sulfide by China Northern Chemical and Minerals Company. The shipment is scheduled to be loaded in Tianjin aboard the Iranian-flagged M/V Iran Teyfouri, which is expected to arrive in Tianjin on April 10. China Northern Chemical and Minerals Company also sought to transfer 800 metric tons of sodium sulfide to Iran in September 2007. China requested additional information, including the address and telephone number of the Chinese company (REF E).

14. (S/REL China) In January 2008, the Chinese firm Dalian Zhongbang Chemical Industries Company delivered chemicals used in producing solid-rocket propellant to Iran aboard the M/V Iran Teyfouri. The chemicals were destined for Iran's Shahid Bakeri Industrial Group (SBIG), an entity designated under UN Security Council Resolution 1737 for its involvement in Iran's ballistic missile program. Chinese officials claimed that the shipment was delivered not to Iran, but to a firm in Singapore (REF B). However, a review of publicly available information refutes Chinese claims that the cargo was delivered to Singapore. A summary of this information (para 4 non-paper) was presented to Chinese DCM Xie Feng on April 8 by the National Security Council. Several requests have been made in Beijing and Washington for China to accept the visit of an experts team to Beijing to present and discuss this information in detail; however, Chinese officials have repeatedly denied these requests.

NON-PAPER

15. (S/REL China) Begin non-paper:

-- We have additional information regarding the shipment of the CW precursor chemical sodium sulfide/sulphide by China Northern Chemical and Minerals Company that is scheduled to be loaded in Tianjin on the M/V Iran Teyfouri for shipment to Iran.

-- The address of China Northern Chemical and Minerals Company appears to be Room 5C-805, Houxiandicheng, Baizhawan Road No. 16, Chaoyang District, Beijing, 100022, telephone 86-10-87765122.

-- This is the same address and telephone number as the headquarters for Sinorth Minerals Group Ltd. (www.sinorth.com), whose product list includes sodium sulphide. Additional telephone numbers for Sinorth are 86-10-87766719, fax 86-10-87765119.

-- As the M/V Iran Teyfouri is scheduled to arrive in Tianjin on April 10, 2008, we urge Chinese authorities to investigate and prevent this imminent shipment to Iran.

-- In response to our January 18 demarche relating to a previous shipment on the same vessel, China indicated that the M/V Iran Teyfouri delivered chemicals from Dalian Zhongbang Chemical Industries Company to an enterprise in Singapore.

-- However, publicly available shipping information shows that the Iran Teyfouri did not stop in Singapore and that the chemicals have been delivered to Iran and the end users listed in the January 18 demarche.

-- Ship positioning data shows that the Iran Teyfouri did not call in the Port of Singapore.

-- Information from the Bandar Abbas port website indicates

the Iran Teyfouri was in port on January 29, where it unloaded all of the 21 containers from Dalian Zhongbang Chemical Industries Company.

-- Between February 5 and 16, according to publicly available information, the containers were delivered to their consignees, which are listed as Mehr Engineering and Industrial Group and OMID Research Industrial Group.

-- Both Mehr Engineering and Industrial Group and OMID Research Industrial Group are cover names for Iran's solid-propellant missile program entity Shahid Bakeri Industrial Group (SBIG)) an entity designated under UNSCR 1737.

-- In light of this latest information about the Iran Teyfouri, we request that China re-investigate the details surrounding the earlier shipment to determine whether the Chinese Government's investigating agencies were misled and take action to prevent or scrutinize any future contact between Dalian Zhongbang Chemical Industries Company and any of its affiliates with any of its alleged Singaporean customers.

-- We also urge China to give its most serious attention and consideration to the pending shipment in order to meet our shared UNSC commitments and nonproliferation objectives.

-- We are prepared to send an experts team from the Department of State to Beijing to provide a detailed briefing to relevant Chinese experts. We believe such a briefing and discussion will be valuable in increasing our cooperation on such matters.

16. (U) Washington points of contact for follow-up are Mark Felipe, 202-647-5376, felipem2@state.sgov.gov, and Matthew Zartman, 202-647-7588, zartmanml@state.sgov.gov. On the sodium sulfide shipment SHIELD case # S05-08, POC is ISN/CB Peter Roe at 202-647-1194 or via classified e-mail at roepb@state.sgov.gov for additional information or clarification.

17. (U) Please slug all responses for ISN, T, and EAP. Washington appreciates Post's assistance.
RICE

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End Cable Text